



**27<sup>th</sup> September 2010**

**PRESS RELEASE**

### **Profits lift for convenience store group David Sands Ltd**

**CONVENIENCE** store group **David Sands Ltd**, based in Kinross, has seen a 13.9% increase in turnover on the back of new store openings and a strategy of focusing on local and Scottish produce along with increased emphasis on its 'food to go' offer.

Announcing its results for the year ending 31<sup>st</sup> December 2009, the acquisitive independent group has revealed an increase in turnover to almost £39.5 million in 2009 from £34.6 million in 2008, and a 5.07% rise in pre-tax operating profit to £1.39 million from £1.33 million in the same period.

The family-run company, which now operates 29 stores in Fife, Perthshire and Kinross, opened two new stores during year – at Lauder Road, Kirkcaldy and in Markinch – and also carried out a major refurbishment and extension of its outlet at Jeanfield Road, Perth.

In 2010, David Sands has further extended its stores portfolio with the opening of a new outlet in Kinglassie. Its newest store – a new-build outlet at Linburn Road, Dunfermline – opened at the end of July and is the company's third store in the Fife town. Sands' 30<sup>th</sup> shop is scheduled to open in Glenrothes.

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**David Sands**, chief executive officer, said: “Last year was another milestone year for us. We further strengthened our portfolio in terms of store numbers but we also invested heavily in building up relationships with local and Scottish suppliers which now account for 22% of our total turnover. Going forward, our aspiration is for these suppliers to account for one-third of all our sales.

“We’re not just talking about food suppliers, however. It is very much a company strategy to support local suppliers of other services. Our new Dunfermline store, for example, was built by a Lochgelly-based builder, Richard Street Ltd, and completed both on time and on budget. These are the type of relationships that we, as an independent family business, want to nurture.”

David Sands also established a new Central Kitchen division in Kinross last year to drive sales of its growing ‘food to go’ business – the sale of hot and cold food, drinks and snacks to take away. This new facility produces freshly made sandwiches, salad bowls, fruit pots and ready meals under the ‘Deliciously David Sands’ brand for distribution to each store every day.

“This new division has experienced growth beyond our initial expectations and customer demand has meant that we are now looking to extend the range,” said Sands. “For example, we have introduced a range of ready meals this summer – this is the type of innovation that gives our customers yet another reason to visit a David Sands store and provides us with a clear point of difference over our competitors.

“At David Sands, we are very much a community-focused retailer with stores located right at the very heart of local neighbourhoods. What we are seeing now across Scotland – and the rest of the UK – is the major supermarkets waking up to the lucrative profit opportunity offered by smaller stores in these local areas.

“Our customers are very much in their sights so we must remain innovative to stay one step ahead.”

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All David Sands convenience stores are licensed, sell newspapers and magazines, have a strong fresh food offer, in-store bakery and services including PayPoint, an ATM and the National Lottery. Newer initiatives such as 'food to go' and the introduction of more local and Scottish produce are among key future growth areas and will continue to be developed.

“We've worked extremely hard at getting our product mix right,” Sands said. “Knowing your customers and understanding their needs and requirements is absolutely key to success or failure in convenience retailing. We invest considerable time and effort in local customer focus groups to help us gauge what is right not just for the business but for individual stores.

“All our staff live locally – many within walking distance of their stores – so they get to know their customers well, enabling us to build up exceptional customer loyalty that the big supermarkets simply cannot match. Again, this gives us a clear point of difference over our competitors.”

Commenting on future growth and acquisitions, Sands said: “We remain committed to expanding the David Sands business and will continue to explore any opportunity to purchase existing retail outlets if they are in suitable locations. Building brand new stores such as our newest store in Dunfermline will also remain part of our strategy.

“The David Sands distribution operation is robust and has the capacity to service around 50 stores. We have made no secret of our desire to grow the business and while we are aware of the challenging economic climate and difficult times facing customers financially due to looming public and private-sector cuts, we look forward to the next 12 months with confidence.”

Sands added that the company had also launched its first-ever Trainee Manager Development Programme which is designed to ensure that it has highly-trained staff ready to take charge of new stores as and when they open.

**ENDS**

For further information, please contact **David Sands** on 01577 865141 or Karen Peattie on 0141 773 1801/07947 075 937

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## **NOTE FOR EDITORS**

- David Sands Ltd was founded in Kinross in 1812 and currently operates 29 stores in Fife, Kinross and Perthshire
- Most David Sands stores sell newspapers and magazines and many outlets offer a Post Office, in-store bakery, ATM, PayPoint and the National Lottery. All stores have a very strong fresh foods offer
- Stores open from 6am to 10pm, seven days a week
- All stores are licensed to sell alcohol and operate a 'Challenge 25' policy
- David Sands Ltd is a member of the Nisa-Today's group, the member-owned organisation that supports independent retailers and wholesalers in the food and drink sector with a range of buying, marketing and distribution services. David Sands is chairman of the Nisa Retail Committee